



CABINET

Date of Meeting	Tuesday, 16 April 2019
Report Subject	Revenue Budget Monitoring 2018/19 (month 11)
Cabinet Member	Leader of the Council and Cabinet Member for Finance
Report Author	Corporate Finance Manager
Type of Report	Operational

EXECUTIVE SUMMARY

This monthly report provides the latest revenue budget monitoring position for 2018/19 for the Council Fund and Housing Revenue Account. This report presents the position, based on actual income and expenditure, as at Month 11 of the financial year. The report projects how the budget would stand at the close of the financial year if all things remained unchanged.

The projected year end position, without new actions to reduce cost pressures and/or improve the financial return on efficiency planning and cost control is:

Council Fund

- An operating surplus of £0.931m (£0.743m at Month 10).
- A projected contingency reserve balance as at 31 March 2019 of £8.715m, which, when taking into account the agreed contributions for the 2019/20 budget, reduces to £6.494m.

The next report will advise of the outturn position on 16 July 2019 and is not anticipated to significantly change between now and year-end unless there is a late change to demand levels of services.

The improvement in the projected outturn will have a positive impact on the projected availability of reserves at year end. This will help safeguard the Council against the known risks in 2019/20. Further use of reserves to help balance the budget for next year would be unsustainable, and the advice on the amount of reserves which could have been drawn down would have remained unchanged at the stage of setting the annual budget even with this improved position.

Housing Revenue Account

- Net in-year revenue expenditure forecast to be £0.067m lower than budget.
- A projected closing balance as at 31 March 2019 of £1.165m.

RECOMMENDATIONS

1	To note the overall report and the projected Council Fund contingency sum as at 31 st March 2019.
2	To note the projected final level of balances on the Housing Revenue Account (HRA).
3	To approve allocations from the contingency reserve for investment in change and to operate a Sustainable Drainage System (SuDS) Approving Body (SAB) (paras 1.14 – 1.15)
4	To approve the carry forward request included in appendix 6

REPORT DETAILS

1.00	EXPLAINING THE MONTH 11 POSITION														
1.01	<p>Council Fund Projected Position</p> <p>The projected year end position, without mitigation to reduce cost pressures and improve the yield on efficiency planning, is as follows:</p> <ul style="list-style-type: none"> • An operating surplus of £0.931m • A projected contingency reserve balance as at 31 March 2019 of £8.715m which reduces to £6.494m when taking into account agreed contributions for the 2019/20 budget <p>The next report will advise of the outturn position on 16 July 2019 and is not anticipated to significantly change between now and year-end unless there is a late change to demand levels of services.</p>														
1.02	<p>Projected Position by Portfolio</p> <p>The table below shows the projected position by portfolio:</p> <table border="1"> <thead> <tr> <th>TOTAL EXPENDITURE AND INCOME</th> <th>Revised Budget</th> <th>Projected Outturn</th> <th>In-Year Over / (Under) spend</th> </tr> <tr> <td></td> <th>£m</th> <th>£m</th> <th>£m</th> </tr> </thead> <tbody> <tr> <td>Social Services</td> <td>65.054</td> <td>64.053</td> <td>(1.001)</td> </tr> </tbody> </table>			TOTAL EXPENDITURE AND INCOME	Revised Budget	Projected Outturn	In-Year Over / (Under) spend		£m	£m	£m	Social Services	65.054	64.053	(1.001)
TOTAL EXPENDITURE AND INCOME	Revised Budget	Projected Outturn	In-Year Over / (Under) spend												
	£m	£m	£m												
Social Services	65.054	64.053	(1.001)												

	Out of County	7.274	8.877	1.603
	Education & Youth	8.312	8.135	(0.177)
	Schools	89.776	89.776	0.000
	Streetscene & Transportation	29.684	31.224	1.544
	Planning & Environment	5.641	5.581	(0.059)
	People & Resources	4.383	4.392	0.009
	Governance	8.224	7.932	(0.292)
	Strategic Programmes	4.198	4.187	(0.011)
	Housing & Assets	14.442	14.223	(0.202)
	Chief Executive	2.990	2.542	(0.449)
	Central & Corporate Finance	24.351	22.455	(1.896)
	Total	264.328	263.398	(0.931)
1.03	The projected outturn is an operating surplus of £0.931m which is a positive movement of £0.188m from the previous month where an operating surplus of £0.743m was reported. The reasons for these changes are summarised in Appendix 1 with the key significant changes explained in paragraphs 1.04 below. The reasons for the projected variances in all Portfolio areas are summarised within Appendix 2.			
1.04	<p>Social Services</p> <p>There has been an overall reduction in projected spend for Social Services of £0.361m between month 10 and month 11. This movement is due to a number of reasons of which the most significant are detailed below.</p> <p>Within residential and nursing care (Older People), the contingency requirement projected for winter pressures is £0.137m less than originally estimated</p> <p>Within Disability Services there has been additional income of £0.110m claimed back from direct payment accounts which were holding significant surpluses and additional joint funding income for £0.103m is also expected.</p>			
1.05	<p>Tracking of In-Year Risks and Emerging Issues</p> <p>At the time of setting the Budget for 2018/19 a number of significant risks were identified and updates have been provided each month within the report.</p> <p>Now that the financial year has ended and work has commenced on the closure of the accounts the risks of significant changes to the outturn have diminished and hence the risks removed from the report.</p>			
1.06	Achievement of Planned In-Year Efficiencies			

	<p>The 2018/19 budget includes £5.511m of specific efficiencies which are closely tracked and monitored. In 2017/18 the level of efficiency achievement was 94% which was an improvement on the 91% achieved during the previous year. The Council aims to achieve a 95% rate in 2018/19 as reflected in the MTFS KPI's.</p> <p>The current assessment of the efficiencies to be achieved in 2018/19 shows that £5.305m or 96% of the efficiencies will be achieved. Further details on the current status on efficiencies can be seen in Appendix 3.</p>
1.07	<p>Other In-Year Issues</p> <p>Inflation</p> <p>Included within the 2018/19 budget are provision for pay (£0.937m), food (£0.124m), fuel (£0.069m) and Energy (£0.442m). As in previous years, these amounts are held centrally until there is an evidenced business need identified.</p>
1.08	<p>An allocation of £0.075m for energy has been transferred to the Street Lighting service to reflect the additional cost impact.</p>
1.09	<p>It is anticipated that all of the above will be required apart from £0.110m food inflation and is reflected in the outturn figure. This area has been kept under review over the winter period to assess the impact of energy costs and the final position will be reported at outturn.</p>
1.10	<p>Reserves and Balances</p> <p>Un-earmarked Reserves</p> <p>The 2017/18 outturn reported to Cabinet in July showed un-earmarked reserves at 31 March 2018 (above the base level of £5.769m) of £7.928m.</p> <p>As agreed in the 2018/19 budget an amount of £1.945m was approved as part of the strategy to balance the budget and in addition County Council on 1 March approved a one off amount of £0.460m for schools, on a temporary basis. The available Contingency Reserve after taking account of these contributions is therefore £5.523m.</p>
1.11	<p>At Month 4 it was agreed that the amount recovered due to a change in accounting policy for the Minimum Revenue Provision of £1.400m and a VAT rebate on some sporting exemptions for £1.940m would be transferred to the Contingency Reserve.</p>
1.12	<p>Taking into account the current projected underspend at this stage, and previously agreed allocations, the balance on the Contingency Reserve at 31 March 2019 is projected to be £8.715m as detailed in appendix 4.</p>
1.13	<p>As part of the budget strategy work for 2019/20 an agreed contribution from the Contingency Reserve of £1.900m will used to assist in closing the budget gap on a one off basis.</p>

	<p>As agreed at Council on 18 February 2019, an additional amount of £0.321m will also be used from the Contingency Reserve, on a one-off basis, to assist in closing the budget gap. This amount has been released from earmarked reserves after a review reserves held.</p> <p>After considering this impact, the total available balance of the Contingency Reserve which can be drawn upon is £6.494m.</p>
1.14	<p>Schedule 3 Flood and Water Management Act January 2019 requires Local Authorities to operate a SuDS Approving Body (SAB) to deal with surface water drainage matters relating to new developments and ensure compliance with new Welsh Government mandatory national standards. The role and purpose will be to receive, consider, approve and subsequently adopt SuDS schemes submitted by developers prior to, or in parallel with, planning applications for development. The resource implications are being considered as part of the current review of the MTFS from 2020/21 onwards. However, it is anticipated that an amount of £0.062m will be required in 2019/20 and as there is no budgetary provision for this it is recommended that these costs are met from the Contingency Reserve.</p>
1.15	<p>Previous allocations for investment in change have now been fully utilised and there is a need to ring-fence a further amount to support future initiatives for investment in change and to assist with the delivery of efficiencies over the medium term. It is recommended that an amount of £1m is allocated for this purpose to support the Medium Term Financial Strategy for the period 2019/20 – 2022/23 which is in line with the recommended level advised as part of the setting of the 2019/20 budget.</p>
1.16	<p>Earmarked Reserves</p> <p>Earmarked reserves are monitored in accordance with the reserves protocol. A summary of earmarked reserves as at 1 April 2018 and the closing balances as at the end of this financial year will be included in the outturn report.</p>
1.17	<p>Request for Carry Forward of Funding</p> <p>A number of requests to carry forward revenue funding into 2019/20 are included in Appendix 6 and are recommended for approval.</p>
1.18	<p>Housing Revenue Account</p> <p>The 2017/18 Outturn Report to Cabinet on 17 July 2018 showed an un-earmarked closing balance at the end of 2017/18 of £1.116m and a closing balance of earmarked reserves of £0.802m.</p>
1.19	<p>The 2018/19 budget for the HRA is £34.381m which includes a budgeted movement of £0.018m from reserves. The projected outturn is an underspend of £0.067m which has the impact of bringing the closing un-</p>

	earmarked reserves balance to £1.165m which at 3.4% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%.
1.20	There is an increase of £0.081m in the budget contribution towards capital expenditure (CERA) of £12.170m. The increase in this contribution decreases the level of borrowing required to fund the proposed capital programme.

2.00	RESOURCE IMPLICATIONS
2.01	The Revenue Budget Monitoring Report reflects the planned use of the financial resources of the Council for the current financial year and details the variations in the first four months and the risks as known.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	None required.

4.00	RISK MANAGEMENT
4.01	As we are nearing the end of the financial year and the closure of the 2018/19 accounts it is not anticipated that there are any significant risks to the final outturn position. Any risks with an impact on 2019/20 were considered within the 2019/20 budget which was approved at Council on 19 February 2019.

5.00	APPENDICES
5.01	Appendix 1: Council Fund – Movement in Variances from Month 10 Appendix 2: Council Fund – Budget Variances Appendix 3: Council Fund – Programme of Efficiencies Appendix 4: Council Fund – Movement on Un-earmarked Reserves Appendix 5: Housing Revenue Account Variances Appendix 6: Carry Forward Requests

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None required. Contact Officer: Sara Dulson (Finance Manager) Telephone: 01352 702287 E-mail: sara.dulson@flintshire.gov.uk

7.00	GLOSSARY OF TERMS
7.01	<p>Budget: a statement expressing the Council's policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.</p> <p>Council Fund: the fund to which all the Council's revenue expenditure is charged.</p> <p>Financial Year: the period of twelve months commencing on 1 April.</p> <p>Housing Revenue Account: the Housing Revenue Account (HRA) is a local authority account showing current income and expenditure on housing services related to its own housing stock. The account is separate from the Council Fund and trading accounts and is funded primarily from rents and government subsidy.</p> <p>Projected Outturn: projection of the expenditure to the end of the financial year, made on the basis of actual expenditure incurred to date.</p> <p>Reserves: these are balances in hand that have accumulated over previous years and are held for defined (earmarked reserves) and general (general reserves) purposes. Councils are required to regularly review the level and purpose of their reserves and to take account of the advice of the Chief Finance Officer.</p> <p>Revenue: a term used to describe the day-to-day costs of running Council services and income deriving from those services. It also includes charges for the repayment of debt, including interest, and may include direct financing of capital expenditure.</p> <p>Underspend: when referring to expenditure the actual expenditure incurred is less than budget. Shown as a –ve. When referring to income the actual income achieved exceeds the budget. Shown as a –ve.</p> <p>Variance: difference between latest budget and actual income or expenditure. Can be to date if reflecting the current or most up to date position or projected, for example projected to the end of the month or financial year.</p> <p>Virement: the transfer of budget provision from one budget head to another. Virement decisions apply to both revenue and capital expenditure heads, and between expenditure and income, and may include transfers from contingency provisions. Virements may not however be approved between capital and revenue budget heads.</p> <p>Medium Term Financial Strategy: a written strategy which gives a forecast of the financial resources which will be available to a Council for a given period, and sets out plans for how best to deploy those resources to meet its priorities, duties and obligations.</p>

Budget Monitoring Report
Council Fund Variances

MONTH 11 - SUMMARY

Service	Movement between Periods (£m)	Narrative for Movement between Periods greater than £0.025m
Social Services		
Older People		
Localities	-0.142	Most of the movement, £0.137m, is for Residential and Nursing Care and is due to a reduced contingency for winter pressures, which didn't materialise to the same degree as expected, and reductions in service users due to a number having passed away.
Minor Variances	0.024	
Disability Services		
Resources & Regulated Services	-0.254	Reductions in service users due to a number having passed away £0.046m, clawback of overpayments of direct payments £0.110m and additional joint funding income £0.103m, plus other minor movements of £0.005m.
Disability Services	-0.048	Reduced costs of residential placements - Transition to Adulthood.
Administrative Support	0.044	Vacancy savings transferred to portfolio total vacancy savings account.
Minor Variances	-0.018	
Mental Health Services		
Residential Placements	0.067	Additional placement costs.
Minor Variances	-0.007	
Children's Services		
Minor Variances	0.046	A number of minor variances across the services each less than £0.025m.
Development & Resources		
Minor Variances	-0.073	
Total Social Services (excl Out of County)	-0.361	
Out of County		
Children's Services	0.019	Minor variances.
Education & Youth	0.022	Minor movement in variance from across service area. Includes three new and emerging placements and three ended placements.
Total Out of County	0.041	
Education & Youth		
Inclusion & Progression	0.005	Minor variances.
Integrated Youth Provision	0.004	Minor variances.
Business Change & Support	-0.001	Minor variances.
Total Education & Youth	0.008	
Schools	0.000	
Streetscene & Transportation		
Other Minor Variances	-0.001	Minor variances.
Total Streetscene & Transportation	-0.001	
Planning, Environment & Economy		
Business	-0.015	Commitment challenge - minor variances
Community	-0.022	Additional licensing income
Development	0.038	Revised income projection for Building Control
Regeneration	-0.015	Commitment challenge- minor variances
Minor Variances	-0.006	
Total Planning & Environment	-0.020	

People & Resources		
HR & OD	0.009	Minor variances
Corporate Finance	0.078	The estimated impact of the implementation of a revised operating model is less than anticipated in the current year due to the timing of the implementation which is now scheduled for 1 June 2019.
Total People & Resources	0.087	
Governance		
Legal Services	-0.008	Minor variances.
Democratic Services	-0.005	Minor variances.
Internal Audit	-0.001	Minor variances.
Procurement	-0.003	Minor variances.
ICT	-0.009	Minor variances.
Customer Services	0.003	Minor variances.
Revenues	0.066	Collection fund adjustment in relation to the bad debt provision £0.119m. Additional income in respect of enforcement fees £0.045m. Minor variances £0.008m.
Total Governance	0.043	
Strategic Programmes		
Minor Variances	-0.002	
Total Strategic Programmes	-0.002	
Housing & Assets		
Benefits	-0.027	Additional recovery of housing benefits overpayments £0.025m. Minor variances £0.002m.
Housing Solutions	-0.030	Utilisation of additional grant funding £0.010m. Minor variances £0.020m.
Housing Programmes	-0.005	Minor variances.
Disabled Facilities Grant	0.000	Minor variances.
Council Fund Housing	0.000	Minor variances.
Minor Variances	0.036	
Total Housing & Assets	-0.025	
Chief Executive's	-0.028	A number of smaller variances each less than £0.025m, the largest being an amount of £0.009m for the recharge of staff time to the HRA.
Central and Corporate Finance	0.071	Windfall income of £0.034m relating to Non Domestic Rate revaluations, which related to Aura. Support services recharge £0.027m less than budgeted. Minor variances £0.010m.
Grand Total	-0.188	

Budget Monitoring Report
Council Fund Variances

MONTH 11 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Social Services						
Older People						
Localities	16.920	16.595	-0.325	-0.183	Residential and Nursing Care reflects a projected overspend of £0.031m due to increased numbers of funded placements following the increase in the capital limit to £40,000. Domiciliary Care reflects a projected underspend of £0.202m based on existing service users, however there are challenges due to capacity of external supply markets which are currently having to be met within Provider Services. Other underspends include a projected underspend of £0.038m on day care due to reduced demand, £0.023m on Intake/First Contact due to vacancy savings and £0.010m on Minor Adaptations. Locality Teams staffing reflects a projected underspend of £0.067m due mainly to some posts being filled at below the top of grade. Minor variances account for a £0.016m underspend.	Ongoing budget monitoring will reflect changes in demand for care and market capacity issues
Community Equipment Contribution	0.473	0.329	-0.144	-0.145	Following review and implementation of an updated Section 33 partnership agreement for the North East Wales Community Equipment Store (NEWCES), the contribution levels of partners have reduced. In the longer term this saving has been earmarked for funding of some of the revenue costs for the new extra care facilities.	This underspend is earmarked for use in 2019/20 and beyond to fund some of the additional budget required for new extra care facilities.
Resources & Regulated Services	6.582	6.449	-0.133	-0.154	The main influence on the net projected underspend of £0.133m is extra care schemes where there is a projected underspend of £0.415m due mostly to the delay to the opening of the new Llys Raddington extra care facility and additional grant income. This is offset by a projected overspend of £0.135m on Home Care due to the need to cover capacity gaps in purchased Domiciliary Care. There are also overspends amounting to a total of £0.147m in Residential Care and Day Centres.	
Minor Variances	0.877	0.830	-0.048	-0.050		
Disability Services						
Resources & Regulated Services	23.078	22.965	-0.114	0.141	Projected underspends of £0.063m in PDSI services, due to a number of service users having passed away, and £0.055m for In-house Supported Living, due to additional income from Betsi Cadwaladr University Health Board (BCUHB) offset by a net overspend of £0.004m from externally provided Supported Living £0.016m and LD Work Opportunities/Day Centres £0.020m.	
Disability Services	0.533	0.375	-0.158	-0.109	The projected underspend is mainly due to increased levels of contributions from BCUHB for two service users.	
Administrative Support	0.207	0.141	-0.066	-0.110	The projected underspend is influenced by a combination of vacancy savings and budget provision at the top of grades for staff who are currently paid below the top of grades.	
Minor Variances	0.809	0.770	-0.038	-0.020		

Budget Monitoring Report
Council Fund Variances

MONTH 11 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Mental Health Services						
Residential Placements	1.184	1.519	0.335	0.268	Ongoing pressure due to the numbers of long term residential placements, including four new placements, despite maximisation of opportunities to secure joint funding contributions from BCUHB. The overspend is offset by £0.150m additional WG grant income.	
Minor Variances	2.615	2.553	-0.062	-0.055		
Children's Services						
Family Placement	2.564	2.680	0.116	0.108	The projected overspend is due to the number of children in care. There has been an increase in the number of children who are subject to Foster Care/Special Guardianship/Adoption who have moved through the age barriers. Other influences include new adoption and Special Guardianship Order (SGO) payments and new Foster Carers entering the system, foster carers progressing from Level 1, 2, 3 and 4. Travel costs and Christmas and birthday allowances. These costs are offset by £0.150m additional Welsh Government (WG) grant income.	
Family Support	0.364	0.438	0.074	0.080	Staff costs are higher than budget and some of these costs are associated with the carrying out of statutory duties to support looked after children in external placements. We have many strategies to resolve this in the longer term but in the short term we need to fulfil our duties to oversee the care of our younger people.	
Legal & Third Party	0.178	0.298	0.120	0.101	Additional numbers of court cases resulting in increased court costs	
Professional Support	4.998	5.139	0.141	0.130	The projected overspend is due mainly to ongoing service pressures particularly within Prevention and Support, and is influenced by the need to support wider regional work on child protection issues which has been partly mitigated by an allocation of £0.100m from the contingency reserve.	
Minor Variances	1.130	1.147	0.017	0.003		
Development & Resources						
Charging Policy income	-2.469	-2.601	-0.132	-0.133	The projected underspend is due to surplus income which is mainly caused by changes to disregard rules on financial assessments which came into effect from August 2016. The additional budget which arises from this surplus is earmarked for future use in funding some of the revenue costs for the new Holywell extra care facility.	
Business Support Service	1.190	1.091	-0.100	-0.116	The projected underspend of £0.100m is due to a number of short term vacancy savings and some posts currently occupied by staff who are below top of grade.	
Commissioning	0.631	0.575	-0.056	-0.052	The projected underspend is mainly due to funding of a post from a grant in the short term, plus some reductions of hours following staff returning from maternity leave.	
Vacancy Management	0.315	-0.111	-0.426	-0.366	Short term vacancy savings transferred from across portfolio.	
Minor Variances	2.874	2.869	-0.004	0.021		
Total Social Services (excl Out of County)	65.054	64.053	-1.001	-0.640		

Budget Monitoring Report
Council Fund Variances

MONTH 11 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Out of County						
Children's Services	4.191	5.020	0.830	0.810	There is a projected overspend of £0.830m in Social Services Childrens Services which is based on current clients and packages and which is likely to be subject to variation during the year. These costs are offset by £0.311m from additional WG grant income.	
Education & Youth	3.083	3.857	0.774	0.752	Variance relates to Out of County placements. A substantial increase in the number of new educational placements for 2018/19.	Continue close monitoring arrangements.
Total Out of County	7.274	8.877	1.603	1.562		
Education & Youth						
Inclusion & Progression	3.817	3.778	-0.040	-0.044	Variance largely relates to delays in recruitment, includes other minor variances from across service area.	
Integrated Youth Provision	1.270	1.240	-0.030	-0.034	Minor variances from across service area.	
School Improvement Systems	1.775	1.680	-0.095	-0.095	Variance largely relates to Early Entitlement, a reduction in maintained and non-maintained setting payments as a result of demography and a reduction of the number of settings requiring funding. Includes hourly reductions in established staff. Includes other minor variances from across service area.	
Business Change & Support	0.414	0.402	-0.013	-0.012	Minor variances from across service area.	
Minor Variances	1.035	1.035	0.000	0.001		
Total Education & Youth	8.312	8.135	-0.177	-0.185		
Schools	89.776	89.776	0.000	-0.000		

Budget Monitoring Report
Council Fund Variances

MONTH 11 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Streetscene & Transportation						
Ancillary Services & Performance	3.908	4.105	0.196	0.196	<p>Delay in the development of the new Rockcliffe Household Recycling Centre (HRC) site resulting in additional running costs of two existing sites continuing to operate until October 2018 totalling £0.050m.</p> <p>Shortfall in Recycling Income due to falling plastic, card and paper recycling prices resulting from external market factors £0.210m. Additional income of £0.100m above the original projections following the rollout of brown bin charges.</p> <p>Minor Variances £0.036m.</p>	
Highways Network	7.950	8.293	0.343	0.348	<p>Additional in year cost of known Vehicle Insurance Premiums totalling £0.060m.</p> <p>Following increased car park charges from May, 2018, together with charges in Flint being implemented for the first time, initial forecasts have indicated lower than anticipated income levels compared to original projections. In addition, officers have recently been appointed to meet the necessary demands of parking enforcement requirements across the County. The overall variance totals £0.260m.</p> <p>Minor variances of less than £0.025m but totalling £0.023m across the service.</p>	
Transportation & Logistics	9.265	10.111	0.846	0.844	<p>Additional pressure as a result of the provision of additional school transport for pupils to Connahs Quay, Buckley Elfed and Mold Campus £0.133m.</p> <p>Community Travel pilot schemes of £0.047m commencing January, 2019.</p> <p>Increased transport provision to Social Services £0.074m.</p> <p>Extra School Buses are required due to schools being oversubscribed from September 2018. There is an increase of 95 pupils qualifying for transport resulting in additional pressure of £0.150m.</p> <p>For Special Educational Needs there is an increase of 41 routes for pupils with complex needs requiring solo transport totalling £0.400m.</p>	The additional school transport costs and Special Educational Needs transport will be subject to further review by the Integrated Transport Unit (ITU) to assess all the additional demands and the impact of aligning as many of these costs to existing routes.
Workforce	8.348	8.473	0.125	0.125	Increased Agency and Overtime costs as a consequence of current sickness levels of the workforce operatives.	
Other Minor Variances	0.230	0.263	0.033	0.033		
Total Streetscene & Transportation	29.701	31.244	1.544	1.545		

Budget Monitoring Report
Council Fund Variances

MONTH 11 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Planning, Environment & Economy						
Business	1.550	1.519	-0.031	-0.016	Full cost recovery income targets have not been achieved in recent years and are unlikely to be achieved in 2018/19. The Pest Control Service is a customer demand led service with competition from external commercial organisations.	Review of Fees and Charges in 2019/20
Development	0.060	-0.070	-0.130	-0.167	Higher than expected levels of Planning Fee Income was received during the first three quarters of the financial year. The projection is dependant on the number and value of the applications received, resulting in a changeable outturn to ensure an accurate reflection. An award of Legal Fees from a Planning Appeal in Flintshire's favour.	Full review of Planning Fee Income received to enable accurate forecasting into 2019/20
Regeneration	0.435	0.478	0.043	0.058	Energy Efficiency framework moved to be accounted for in correct Portfolio £0.050m. Minor variances £0.007m.	Request to carry forward £0.065m for commissioned work on town centres due to project delays.
Management & Strategy	1.195	1.248	0.053	0.049	Staffing related Business Planning Efficiencies yet to be achieved pending all Service Review outcomes within the Portfolio.	Vacancy savings across the Portfolio have been utilised to assist in mitigating the unachieved efficiencies in the short term.
Minor Variances	2.402	2.407	0.005	0.037		
Total Planning & Environment	5.641	5.581	-0.059	-0.039		
People & Resources						
HR & OD	2.413	2.380	-0.032	-0.042	Minor variances	
Corporate Finance	1.970	2.011	0.042	-0.036	Minor variances	
Total People & Resources	4.383	4.392	0.009	-0.078		
Governance						
Legal Services	0.706	0.732	0.026	0.034	Minor variances	
Democratic Services	2.019	1.999	-0.020	-0.016	Minor variances	
Internal Audit	0.454	0.427	-0.027	-0.026	Minor variances	
Procurement	0.320	0.327	0.007	0.010	Minor variances	
ICT	4.561	4.541	-0.020	-0.011	Minor variances	
Customer Services	0.372	0.413	0.041	0.038	Additional registration services income estimated to be in the region of £0.010m. In-year salary saving of Connects Manager post £0.024m. Prior year efficiency in respect of Contact Centres unlikely to be achieved in 2018/19 £0.100m. Other minor variances £0.025m underspend.	
Revenues	-0.209	-0.507	-0.298	-0.364	Anticipated surplus on the Council Tax Collection Fund £0.042m. Additional Council Tax windfall following the conclusion of the Single Persons Discount Review £0.025m. Vacancy savings of £0.130m. Additional income in respect of Enforcement Fees £0.045m. Additional Grant Income relating to New Developments £0.016m. Other minor variances £0.040m.	
Total Governance	8.224	7.932	-0.292	-0.335		
Strategic Programmes						
Minor Variances	4.198	4.187	-0.011	-0.009	Minor variances.	
Total Strategic Programmes	4.198	4.187	-0.011	-0.009		

Budget Monitoring Report
Council Fund Variances

MONTH 11 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Housing & Assets						
Administrative Buildings	0.255	0.327	0.071	0.069	Projected overspend due to delays to demolition works at County Hall £0.071m.	
Enterprise Centres	-0.223	-0.223	-0.000	-0.000	Minor variances.	
Agricultural Estates	-0.213	-0.160	0.052	0.047	£0.052m Income shortfall from agricultural estates.	
Property Holdings	-0.148	-0.160	-0.012	-0.020	Minor variances.	
Property Asset And Development	0.435	0.426	-0.009	-0.006	Minor variances.	
Caretaking & Security	0.274	0.252	-0.022	-0.022	Minor variances.	
CPM & Design Services	0.611	0.521	-0.090	-0.098	£0.090m estimated income above target.	
Industrial Units	-1.329	-1.329	0.000	0.002	Minor variances.	
CCTV & Open Spaces	0.185	0.169	-0.016	-0.020	Minor variances.	
Centralised Costs	2.413	2.500	0.087	0.067	£0.087m overspend due to the centralising of utility budgets.	
Facilities	0.623	0.623	0.000	0.005	No variance.	
Benefits	10.669	10.565	-0.104	-0.077	Projected underspend on the Council Tax Reduction Scheme (CTRS) £0.084m. Vacancy savings of £0.079m. Additional cost of IT related expenditure such as software, external printing and postage £0.126m. Additional New Burdens Funding £0.069m. Other minor variances from across the service £0.002m.	Request to carry forward £0.038m Universal Support Funding to 2019/20.
Housing Solutions	1.083	0.934	-0.149	-0.119	Homeless Accommodation underspend £0.088m. Salary savings as a result of grant maximisation £0.071m. Unachieved efficiency in respect of Senior Management restructure £0.035m. Other minor variances £0.025m underspend.	
Housing Programmes	0.112	0.107	-0.005	0.000	Minor variances.	
Disabled Facilities Grant	0.017	0.008	-0.008	-0.009	Minor variances.	
Council Fund Housing	-0.340	-0.336	0.003	0.003	Minor variances.	
Total Housing & Assets	14.425	14.223	-0.202	-0.176		
Chief Executive's						
	2.990	2.542	-0.449	-0.421	£0.350m due to workforce efficiencies which are mostly from vacancies arising during the year. The remaining balance is due to smaller variances such as marketing and promotion £0.037m, printing savings £0.020m and other minor variances.	
Central and Corporate Finance						
	24.351	22.455	-1.896	-1.966	Increased Coroners Costs £0.072m. Windfall Income £0.266m relating to Non Domestic Rate Revaluations. Pension Deficit recovery, an underspend of £1,069m, this is due to an increase in contributions, while the repayment figure has remained static. Apprentice Tax Levy, underspend of £0.074m. Auto Enrolment, numbers are less than estimated, which gives a favourable variance of £0.427m. Increased Bank charges £0.027m. Inflationary underspend of £0.422m of which £0.144m has been identified to contribute towards the 2019/20 budget. An underachievement on the income target of £0.209m. Support Services recharge £0.027m less than budgeted. Minor variances £0.027m.	Review variances alongside the continuing work on the MTFS.
Grand Total	264.328	263.398	-0.931	-0.743		

2018/19 Efficiencies Outturn - Under or Over Achieved

Portfolio	Original Efficiency	Revised Efficiency	(Under)/Over
	2018/19 £m	2018/19 £m	Achievement 2018/19 £m
Central & Corporate Finance			
Theatre C/wyd tax relief	0.075	0.075	0.000
County Hall (NDR Element)	0.060	0.060	0.000
Audit fee reduction	0.127	0.127	0.000
Total Central & Corporate Finance	0.262	0.262	0.000
Governance			
Records management; Reduce records in storage.	0.010	0.010	0.000
ICT - Digital Print	0.048	0.048	0.000
Customer Services; New customer service models	0.050	0.050	0.000
Flintshire Connects; More flexible service in conjunction with potential income	0.056	0.056	0.000
Registration; Chargeable declaration of births	0.012	0.012	0.000
Revenues; Increase in collection rates enables adjustment to bad debt provision (one off).	0.094	0.094	0.000
Revenues; Second year windfall for single person discount review (one off)	0.140	0.140	0.000
Single Person Discount additional efficiency	0.160	0.185	0.025
Total Governance	0.570	0.595	0.025
Social Services			
Disability Service; Review current contract with external agency to deliver	0.030	0.030	0.000
Disability Service; Reduction of posts.	0.110	0.110	0.000
Workforce Development; Additional Income from QCF assessors through	0.030	0.030	0.000
Business Support and Management; Rationalisation of rented	0.015	0.015	0.000
Increase in domiciliary care charging.	0.220	0.220	0.000
Integrated Care Fund	0.500	0.500	0.000
Care Fees	0.514	0.514	0.000
Merger of Out of Hours Service	0.020	0.020	0.000
Total Social Services	1.484	1.484	0.000
Education & Youth			
Early Entitlement; Reduce sustainability grant payments and remodel	0.020	0.020	0.000
Business Support; Staff reduction	0.010	0.010	0.000
Nursery Education; Staff reductions	0.040	0.040	0.000
Total Education & Youth	0.070	0.070	0.000
Schools			
Schools Demography	0.288	0.288	0.000
Total Schools	0.288	0.288	0.000
Strategic Programmes			
Leisure, Libraries and Heritage; Continuation of previous years' business plan	0.416	0.416	0.000
Total Strategic Programmes	0.416	0.416	0.000
Housing & Assets			
Valuation Service; Property rationalisation through closure and amalgamation of services into other more efficient assets.	0.050	0.050	0.000
Valuation Service; Increase farm income through renewal of grazing licences.	0.021	0.021	0.000
Valuation Service; Community Asset Transfer process, efficiencies through reduced costs.	0.010	0.010	0.000
Valuation Service; Restructure of service as part of move to a commissioning client.	0.020	0.020	0.000
Valuation Service; Remove caretaking/security services at County Offices, Flint.	0.015	0.015	0.000
Corporate Property Maintenance; Restructure of service as part of move to a commissioning client.	0.080	0.080	0.000
Design and Project Management Services; Restructure of service as part of move to a commissioning client.	0.040	0.040	0.000
NEWydd Catering and Cleaning Services; Continuation of previous Business and Marketing plans.	0.050	0.050	0.000
County Hall	0.240	0.140	(0.100)
New Homes; Return anticipated trading surplus to the Council.	0.030	0.030	0.000
Regional Training courses delivered by GT officer	0.003	0.003	0.000
Welfare Rights; Some activity to be absorbed into single financial assessment team.	0.032	0.032	0.000
Benefits; Adjustment to bad debt provision (one off).	0.050	0.050	0.000
Benefits; Council Tax Reduction Scheme.	0.250	0.334	0.084
Benefits; Remove duplication and provide a single financial assessment service.	0.050	0.050	0.000
Reduction of senior management team	0.050	0.015	(0.035)
Total Housing & Assets	0.991	0.940	(0.051)
Streetscene & Transportation			
Waste Strategy; Charges for garden waste	0.800	0.900	0.100
Car Park Charges	0.450	0.210	(0.240)
Total Streetscene & Transportation	1.250	1.110	(0.140)
Planning, Environment & Economy			
Development management; Production of planning statements and to undertake private appeals	0.015	0.015	0.000
Highways Development Control; Introduce further charges. Review current charges. Retain supervisory function of highway works in the Building Control; Review charges. Introduce charges. Increase partnership working. Increase authorised commencements inspections.	0.015	0.015	0.000
Built Environment; Charing for pre-application advice	0.030	0.000	(0.030)
Flooding and Drainage; Fees for capital project work.	0.010	0.000	(0.010)
Energy; Fees for energy efficiency assessment.	0.010	0.010	0.000
Minerals and Waste; Maximise regulatory compliance income. Review day rate charging.	0.050	0.050	0.000
Rights of Way; Increase charging and reduce expenditure.	0.020	0.020	0.000
Economic Development; Workforce efficiency if regional service developed.	0.020	0.020	0.000
Total Planning, Environment & Economy	0.180	0.140	(0.040)
		%	£
Total 2017/18 Budget Efficiencies		100	5.511
Total Projected 2017/18 Budget Efficiencies Underachieved		4	0.206
Total Projected 2017/18 Budget Efficiencies Achieved		96	5.305

Movements on Council Fund Unearmarked Reserves

	£m	£m
Total Reserves as at 1 April 2018	13.697	
Less - Base Level	(5.769)	
Total Reserves above base level available for delegation to Cabinet		7.928
Less – amount committed as part of balancing 2018/19 budget		(1.945)
Less – One off contribution to Schools agreed at Council on 1 March 2018		(0.460)
Less – Contribution to fund shortfall in MEAG funding (M2)		(0.058)
Add – transfer from revenue for amount recovered in-year due to change in accounting policy for the Minimum Revenue Provision		1.400
Add – transfer from revenue for the amount of the VAT rebate received		1.940
Less – allocation to meet additional in-year budget pressure for the agreed pay award above the 1% included in the 2018/19 budget		(0.999)
Less – allocation for ongoing resourcing of the Victim Contact Team		(0.100)
Less – allocation for Independent Inquiry into Child Sexual Abuse		(0.015)
Less – allocation to meet historic child abuse claims		(0.039)
Add – projected outturn underspend		0.931
Add – Amount released from earmarked reserves as agreed by Council as part of 2019/20 budget		0.132

Total Contingency Reserve as at 31st March 2019		8.715
Less – VAT rebate amount committed as part of balancing 2019/20 budget.		(1.900)
Less – amount committed as part of balancing 2019/20 budget		(0.321)
Total Contingency Reserve available for use		6.494

Budget Monitoring Report
Housing Revenue Account Variances

MONTH 11 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Housing Revenue Account						
Income	(34.381)	(34.079)	0.302	0.299	A pressure of £0.302m is anticipated on income. £0.163m of this pressure relates to loss of rental income on properties being void longer than anticipated and £0.073m due to delays on handover/delays on new build schemes. £0.035m of the pressure relates to loss of income on garages which are not tenanted. £0.036m of the pressure relates to removal of the early payment discount on the Welsh Water contract. The remaining £0.005m relates to minor variances.	
Capital Financing - Loan Charges	8.694	7.503	(1.191)	(1.175)	The projected underspend of £1.191m relates to expected borrowing costs for SHARP. £0.062m of the underspend relates to the Minimum Revenue Payment (loan repayment) which is lower than budgeted because borrowing levels were as high on the 31st March as expected. The remaining £1.129m relates to interest charges. Batch 3 schemes will now start on site later than anticipated and this means expenditure will be spread across financial years. In-year interest charges will therefore be lower than originally anticipated. In addition, borrowing costs have been minimised through efficient treasury management.	
Estate Management	1.617	1.507	(0.110)	(0.116)	An underspend of £0.110m is projected. £0.158m relates to salary savings. A pressure of £0.014m relates to additional costs for cleaning. A pressure of £0.019m relates to Court Costs for Rent Arrears. The remaining £0.015m relates to minor variances.	
Landlord Service Costs	1.415	1.441	0.026	0.029	Minor variance	
Repairs & Maintenance	8.159	7.750	(0.409)	(0.303)	An underspend of £0.409m is anticipated on Repairs and Maintenance. £0.083m relates to savings on employee costs. £0.265m relates to an underspend on Subcontractors. £0.155m relates to a reduction in the Fleet Recharge. The savings above have been offset by pressures of £0.033m on Materials and a loss of income of £0.087m on Recharges leaving minor underspends of £0.026m	
Management & Support Services	2.297	2.043	(0.254)	(0.162)	A saving of £0.254m is anticipated on Management and Support costs. £0.183m relates to staffing costs. £0.058m relates to a reduction on insurance premiums for the HRA. £0.029m relates to software costs. The remaining £0.016m relates to minor pressures elsewhere.	
Capital Expenditure From Revenue (CERA)	12.170	13.787	1.617	1.297	The variance of £1.617m relates to an increase in the contribution from revenue towards capital costs. This increase is possible because of decreased costs elsewhere in the HRA. Contributing towards the capital budget from revenue reduces the requirement to borrow.	
HRA Projects	0.047	0.000	(0.047)	0.066	Minor variance	
Contribution To / (From) Reserves	(0.018)	0.049	0.067	0.067	The projected HRA outturn is an underspend of £0.067m which has the impact of bringing the closing un-earmarked reserves balance to £1.165m.	
Total Housing Revenue Account	0.000	0.000	0.000	(0.000)		

Carry Forward Requests 2018/19

Governance

Cloud Consultancy (£0.060m) - Due to delays in the procurement exercise and other commitments the tender process was not finalised in time for the costs to be spent by 31st March 2019

People & Resources

Flintshire Trainees (£0.064m estimate) - For the continuation of the funding strategy for the Flintshire Trainee programme.

Learning and Development (£0.017m) - There has been a delay in delivering corporate training programmes in 2018/19, this training will be picked up next year as there is a long waiting list for a number of the programmes.

Housing and Assets

Universal Support Funding (£0.038m) - This will allow the Welfare Rights service to continue to be provided into 2019/20.

Planning, Environment and Economy

Trading Standards & Community Safety (0.037m) – Funding for domestic homicide review, criminal proceedings have been extended with a trial date set for May 2019. Any remaining balance will be utilised for upgrading existing hardware for the service.

Directorate Support (£0.037m) - Contribution to the annual costs of the new IDOX system, due to be implemented 2019/20

Directorate Support (£0.012m) - Design Commission to provide a Master Planning training to Planning staff.

Regeneration (£0.065m) - Work on our town centres has experienced some delays meaning the commissioned work will be completed in 2019/20.

Request for a change of use of balances currently held - Building Safer Communities (£0.008m) and Substance Misuse (£0.029m) to contribute to the adaptations required at Ty Dewi Sant which includes soundproofing measure, refurbishment works for the weights and measures room.